

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of

**The Middleburgh Telephone Company
and Joseph A. Tomaino, Assignees**

and

**Newport Telephone Company, Inc.;
NTCNet Long Distance, Inc.; and
NTCNet Telecom, Inc., Assignors**

Application for Authority Pursuant to
Section 214 of the Communications Act
of 1934, as Amended, to Assign
Domestic Section 214 Authority

WC Docket No. _____

APPLICATION

The Middleburgh Telephone Company ("Middleburgh") and Joseph A. Tomaino ("Tomaino"), collectively "Assignees", together with Newport Telephone Company, Inc. (Newport Telephone Company) and its wholly owned subsidiaries NTCNet Long Distance, Inc., and NTCNet Telecom, Inc. (collectively "Newport", and "Assignors") with Middleburgh, Tomaino, and Newport collectively "Applicants", respectfully petition pursuant to Section 214 of the Communications Act of 1934, as amended (47 USC § 214), and Sections 63.03 and 63.04 of the Commission's rules (47 CFR §§ 63.03 and 63.04) for authority to assign the domestic Section 214 Authority held by Newport to Middleburgh and Tomaino, through a purchase of all outstanding stock of Newport Telephone Company by Middleburgh and Tomaino in the respective proportions of 80.1% and 19.9%.

I. DESCRIPTION OF THE APPLICANTS

1. Middleburgh is a rural ILEC serving approximately 3350 customers and 4700 access lines in the counties of Schoharie and Albany in Upstate New York. Through affiliates, it offers cable TV and internet service to its subscribers. Middleburgh is also the parent of Seamless Geoport, a Competitive Local Exchange Carrier (CLEC), which provides toll and local services in Albany, Schoharie, Otsego, and Montgomery Counties.

Middleburgh first began providing service in 1897, and since 1936 has been owned and managed by members of the Rose/Becker Family. Its current President, James R. Becker, and its General Manager, Jason S. Becker, represent the fourth generation of Becker family management.

Middleburgh has received the New York State Public Service Commission's commendation for outstanding customer service each year for more than 20 years.

2. Newport Telephone Company is a rural ILEC serving mostly rural areas of Herkimer, Hamilton, and Oneida counties, including the towns of Newport, Russia, and Fairfield, in Upstate New York. It was incorporated on June 12, 1913. It currently serves approximately 2,100 customers and 2,300 access lines. Through its subsidiaries, it also provides internet service, long distance resale, and local service resale.

Newport Telephone Company has received the New York State Public Service Commission's commendation for outstanding customer service each year over the past 16 years.

3. NTCNet Long Distance, Inc., an indirect wholly owned subsidiary of Newport Telephone Company, is a reseller of toll services with approximately 1900 customers in the counties of Herkimer, Hamilton, and Oneida in Upstate New York. It was issued a Certificate of

Public Convenience and Necessity by the New York State Public Service Commission in PSC Case 97-C-2098.

4. NTCNet Telecom, Inc., an indirect wholly owned subsidiary of Newport Telephone Company, resells local telephone service as a CLEC to approximately 120 customers in the counties of Herkimer and Oneida in Upstate New York. It was issued a Certificate of Public Convenience and Necessity by the New York State Public Service Commission in Case 99-C-00556 on June 11, 1999.

5. Newport Telephone Company, NTCNet Long Distance, Inc., and NTCNet Telecom, Inc. hold domestic Section 214 Authority to provide domestic telephone services pursuant to 47 CFR § 63.01. NTCNet Long Distance, Inc. also possess International Section 214 Resale Authority¹.

6. Joseph A. Tomaino is the Vice-President and General Manager of Newport Telephone Company, and has had various positions with Newport since 1988. He is a graduate of SUNY College of Technology, Utica, with a degree in business management. As General Manager of Newport Telephone Company since 2007, he is fully familiar with all aspects of the operation of Newport, its relationships with its customers, and the services provided to those customers.

¹ A separate petition seeking permission to transfer the International Resale Authority of NTCNet Long Distance, Inc. is being filed contemporaneously herewith.

II. INFORMATION REQUIRED BY SECTION 63.04.

(1) The name, address and telephone number of each applicant - 47 C.F.R. § 63.04(a)(1)

Assignors:

FRN

Newport Telephone Company, Inc.
Box 201
Bridge Street
Newport, NY 13416
Email: harley@ntcnet.com
Tel.: 315-845-8112

0003435633

NTCNet Long Distance, Inc.
Box 201
Bridge Street
Newport, NY 13416
Email: harley@ntcnet.com
Tel.: 315-845-8112

0004314522

NTCNet Telecom, Inc.
Box 201
Bridge Street
Newport, NY 13416
Email: harley@ntcnet.com
Tel.: 315-845-8112

0004314498

Assignees:

The Middleburgh Telephone Company
103 Cliff Street, Box 191
Middleburgh, NY 12122
Email: jbecker@midtel.net
Tel.: 518-827-5211

00034544-10

Joseph A. Tomaino
Box 201
Newport, NY 13416
Email: jtomaino@ntcnet.com
Tel.: 315-845-8112

- (2) **The government, state, or territory under the laws of which each corporate or partnership applicant is organized - 47 C.F.R. § 63.04(a)(2)**

Middleburgh is a New York corporation.

Newport Telephone Company, NTCNet Telecom, Inc., and NTCNet Long Distance, Inc. are all New York closely held corporations.

- (3) **The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the Application is to be addressed - 47 C.F.R. § 63.04(a)(3)**

Correspondence regarding this Application should be addressed to:

For all Applicants:

Keith J. Roland, Esq.
O'Connell and Aronowitz
54 State Street
Albany, NY 122017
Tel.: 518-462-5601
Email: kroland@oalaw.com

- (4) **The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent) - 47 C.F.R. § 63.04(a)(4)**

Assignee Ownership (The Middleburgh Telephone Company)

Marjorie Becker Telecommunications Executive	5.09%	US Citizen
Trust U/W Randall F. Becker Article IV	15.17%	New York Testamentary Trust
RF and MR Becker Irrevocable Trust II	79.74%	New York Trust

Beneficiaries of RF and RM Becker Irrevocable Trust II

Bruce T. Becker 207 Main Street Middleburgh, NY 12122 Telecommunications Executive	US Citizen
Christopher L. Becker 2031 Huntersland Road Middleburgh, NY 12122 Telecommunications Executive	US Citizen
Edmund R. Becker 2774 Hawthorne Drive, NE Atlanta, GA 30345 College Professor	US Citizen
James R. Becker 6023 Baneberry Drive Schenectady, NY 12303 Telecommunications Executive	US Citizen
Jason S. Becker 380 Oak Meadows Drive Middleburgh, NY 12157 Telecommunications Executive	US Citizen
Lorraine M. Becker 821 West Fulton Road West Fulton, NY 12194	US Citizen
Keith M. Becker 106 McCarthy Cook Circle Middleburgh, NY 12122 Telecommunications Employee	US Citizen
Jordan T. Becker 180 S. Clarendon Street, Unit 1 Cranston, RI 02910	US Citizen

Beneficiaries under Trust U/W Randall F. Becker Article IV

Bruce T. Becker
207 Main Street
Middleburgh, NY 12122
Telecommunications Executive

US Citizen

Christopher L. Becker
2031 Huntersland Road
Middleburgh, NY 12122
Telecommunications Executive

US Citizen

Edmund R. Becker
2774 Hawthorne Drive, NE
Atlanta, GA 30345
College Professor

US Citizen

James R. Becker
6023 Baneberry Drive
Schenectady, NY 12303
Telecommunications Executive

US Citizen

Jason S. Becker
380 Oak Meadows Drive
Middleburgh, NY 12157
Telecommunications Executive

US Citizen

Lorraine M. Becker
821 West Fulton Road
West Fulton, NY 12194

US Citizen

Keith M. Becker
106 McCarthy Cook Circle
Middleburgh, NY 12122
Telecommunications Employee

US Citizen

Jordan T. Becker
180 S. Clarendon Street, Unit 1
Cranston, RI 02910

US Citizen

Assignor Ownership (Newport Telephone Company, Inc.)

Harley M. Ruppert
Telecommunications Executive

52.17%

US Citizen

Ruppert Family LLC

47.83%

New York Limited
Liability Company

Equity/Ownership of Rupper Family, LLC

Ruppert Family Trust c/o Harley M. Ruppert Box 201 Newport, NY 13416	100%	New York Trust
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Beneficial Ownership of Ruppert Family Trust (Beneficiaries)

Michelle R. Ruppert 20 Walker Road Limerick, PA 19468		US Citizen
Michael D. Ruppert 32 Old Farms Road Poughkeepsie, NY 12603		US Citizen

Assignor Ownership (NTCNet Long Distance, Inc. and NTCNet Telecom, Inc.)

NTC Net, Inc.	100%	New York Corporation
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Ownership of NTC Net, Inc.

Newport Telephone Company, Inc.	100%	New York Corporation
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Ownership of Newport Telephone Company, Inc.

(See Above)

- (5) **Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853 - 47 C.F.R. § 63.04(a)(5).**

By their signatures below, Applicants certify that no party to the instant Application is subject to a denial of Federal benefits that includes Commission benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. Applicants certify that this certification is true, complete, and correct to the best of their knowledge and belief, and are made in good faith.

(6) A description of the transaction - 47 C.F.R. § 63.04(a)(6)

Ruppert and Ruppert Family, LLC seek to sell their stock in Newport Telephone Company to Middleburgh and Tomaino, with Middleburgh purchasing 80.1% of the stock and Tomaino purchasing 19.9% of the stock. Newport Telephone Company is the ultimate 100% parent (at the grandparent level) of NTCNet Long Distance, Inc. and NTCNet Telecom Inc., so the ownership of those two companies will pass in the same 80.1%/19.9% proportions to Middleburgh and Tomaino.

The transaction will be transparent to customers of Newport Telephone Company, NTCNet Telecom, Inc., and NTCNet Long Distance, Inc. and there will be no transfer of customers or change of service provider. Each Newport company will continue to provide existing services to existing customers and no immediate change in any tariff, customer contract or other terms and conditions of service is contemplated. Newport Telephone Company's current President (Harley Ruppert) will remain President for three years, and Newport's existing management and employees will, with assistance from Middleburgh management and employees, continue to operate their business and provide the services now conducted by the Newport companies.

Charts showing the pre and post transaction corporate structures are attached as Exhibits A and B.

(7) A description of the geographic areas in which the Transferors and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area - 47 C.F.R. § 63.04(a)(7)

Middleburgh is an incumbent local exchange carrier servicing mostly rural areas of Schoharie and Albany counties in Upstate New York. It provides traditional local exchange services to business and residential customers over approximately 4,700 access lines. Through subsidiaries, it offers competitive long distance, local exchange (outside the Middleburgh franchise area), internet, and cable TV services.

Newport Telephone Company is also an incumbent local exchange carrier, servicing mostly rural areas of Herkimer, Hamilton, and Oneida counties in Upstate New York. It provides traditional local exchange services to business and residential customers over approximately 2,300 access lines. Through its subsidiaries, it provides competitive internet service, as well as resold toll and local service.

NTCNet Long Distance, Inc., an indirect wholly owned subsidiary of Newport Telephone Company, is a reseller of toll services with approximately 1900 customers in the counties of Herkimer, Hamilton, and Oneida in Upstate New York. It was issued a Certificate of Public Convenience and Necessity by the New York State Public Service Commission in PSC Case 97-C-2098.

NTCNet Telecom, Inc., an indirect wholly owned subsidiary of Newport Telephone Company, resells local telephone service as a CLEC to approximately 120 customers in the counties of Herkimer and Oneida in Upstate New York. It was issued a Certificate of Public Convenience and Necessity by the New York State Public Service Commission in Case 99-C-00556 on June 11, 1999.

(8) A statement as to how the Application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment - 47 C.F.R. § 63.04(a)(8)

(a) Although this Application as it deals with Middleburgh and Newport Telephone Company (both rural ILEC's) does not fit completely into any of the categories for streamlined processing set forth in 47 CFR § 63.04(a)(8), it should nonetheless be granted streamlined processing because (1) Applicants and their affiliates combined will hold less than a ten percent share of the interstate, interexchange market; (2) the territories of the two ILEC's (Middleburgh and Newport Telephone Company) do not overlap; and (3) combining the resources of two small, rural carriers will increase efficiency, lead to cost savings, and expand services available to rural

customers, including broadband services in unserved and underserved areas.

(b) Transfer of NTCNet Telecom, Inc. and NTCNet Long Distance, Inc. qualify for streamlined processing under 47 CFR § 63.03(b)(2) because:

Transferees NTCNet Long Distance, Inc. and NTCNet Telecom, Inc., separately and combined, have a market share in the interstate interexchange market of less than 10%, and provide competitive local exchange service or exchange access service exclusively in geographic areas served by a dominant local exchange carrier not a party to this application (except that NTCNet Long Distance provides resold toll service within the service territory of Newport Telephone Company), and

- (i) neither of the carriers is dominant with respect to any service, and
- (ii) transferees NTCNet Long Distance, Inc. and NTCNet Telecom, Inc. are non-dominant carriers, and provide service exclusively outside the geographic area where the dominant carrier (the transferee Middleburgh) is dominant.

(9) Identification of all other Commission applications related to the same transaction - 47 C.F.R. § 63.04(a)(9)

In connection with this transaction, NTCNet Long Distance, Inc. will file an application with this commission for authority assign the international Section 214 authorization held by it, File No. ITC-97-760, approved effective January 16, 1998 (DA 98-108).

(10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure - 47 C.F.R. § 63.04(a)(10)

Applicants are not facing imminent business failure.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction - 47 C.F.R. § 63.04(a)(11)

There are no separately filed waiver requests being sought in conjunction with this transaction.

(12) A statement showing how grant of the Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets - 47 C.F.R. § 63.04(a)(12)

Small, privately owned rural telephone companies in New York, and elsewhere across the country, face serious challenges. Traditional landline access line counts and revenues continue to fall in the face of competition from wireless, cable TV, and internet competitors.² Traditional sources of funding, including federal USF and intercarrier compensation (such as carrier access charges) are rapidly disappearing. Lack of financial resources; absence of large commercial customers; and the high cost of building and operating facilities in sparsely populated rural areas, result in an inability to deploy the latest technologies and services, particularly high speed broadband services to unserved and underserved areas.

Rural ILECs are unable to take advantage of economies of scale, and separation and isolation of service territories often precludes sharing of facilities and services.

As New York PSC Staff has recognized:

“The weakening of the financial position of New York’s small ILECs may threaten their ability to continue to provide reliable, quality service throughout their service territories and puts New York’s goal of universal service at risk.” Memorandum from Peter McGowan, General Counsel; Doris Stout, Director, Office of Accounting and Finance; and Chad Hume, Director, Office of Telecommunications Re: Guidelines for Regulatory Review of Mergers and Acquisitions of Small Incumbent Local Exchange Companies, January 24, 2012, (hereinafter, PSC Staff Memo) at page 3.

² For example, Staff of the New York Department of Public Service recently noted that since 2000, incumbent telephone access lines fell in New York from more than 13 million to less than 4 million. See PSC Case 15-M-0647, Joint Petition of Altice N.V. and Cablevision Systems Corporation, Redacted Comments of the New York State Department of Public Service Staff, February 5, 2016 (Cablevision Staff Report) at pp. 10-11.

The acquisition of Newport by Middleburgh will allow the sharing of financial, technical, and managerial resources, and as such improve the economies of scale for both companies. As the PSC Staff Memo recognizes (at page 10):

“Another factor for consideration is the economies of scale that an acquirer would bring to the transaction. Economies of scale describe the cost advantages due to the expansion of a business where costs decline as production increases. To put this in the context of the small ILEC industry, the administration and maintenance of one small ILEC can be relatively costly on a per access line basis. If several ILECs combine, the administration and maintenance functions are largely redundant; and costs may be reduced through consolidation. Thus, by providing economies of scale the transaction may present opportunities to reduce costs and the potential for long term viability post-transaction.”

With the combined resources of Middleburgh and Newport, it will be possible to draw on the strengths of each employee group, such as executive, technical, accounting, and marketing, without having to duplicate areas of expertise. Moreover, with the affiliation of the two companies, additional infrastructure investment can be made. As an example, following the acquisition, an investment of up to \$500,000 in a new voice and broadband switching network for Newport is anticipated. The source of that funding will come from Newport and its selling shareholders. Another cost saving will be the ability to share switching intelligence through a common Metasphere Platform.

Here, the proposed acquisition will be transparent to customers of Newport Telephone Company, Middleburgh, and their subsidiaries, and will have no negative impact on any of their subscribers. No change to Newport's tariffs or customer contracts, or the types and quality of services provided, is contemplated. Newport customer accounts will continue to be handled by

experienced employees, and the retention of the Company's President and General Manager will assure a continuity of management. Eventually, as opportunities arise, a consolidation of operational, management, and service functions among the two work forces should be possible, reducing costs and improving efficiency for both Newport and Middleburgh.

A further example of positive benefits of the transaction is the ability to seek funding from various New York State and federal sources for the combined companies, including New York State Broadband and Economic Development grants. Obtaining broadband funding, and having the financial and management resources to expand the availability of broadband service, is a key factor in meeting the Governor of New York's public policy of bringing high speed, reliable, and affordable broadband services to every part of New York by 2018. Middleburgh, and its management team, have extensive experience in seeking (and obtaining) such funding.

None of the proposed transactions will adversely impact Middleburgh's customers. No change to Middleburgh tariffs or customer contracts, or the types and quality of service offered, is contemplated. Management of Middleburgh will remain with the Becker family.

As noted herein, there are no "negative results" from the acquisition, only positive benefits. The combined strength of the two companies will help protect their customers from the adverse impacts being suffered by small rural carriers. Customer rates will not be affected, and the transaction will be totally transparent to those customers. The financial standing of both companies will remain strong. Combining the resources of two rural ILECs, including management expertise, will allow the development of efficiencies and cost savings for both, with the beneficiaries being existing and future subscribers of traditional telephone and new broadband services.

In light of these positive net benefits to accrue to the subscribers of both Middleburgh and Newport, and the financial strengthening of both companies, this transaction will be in the public interest.

For the foregoing reasons, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of the instant Application. Applicants respectfully request streamlined and expedited treatment to permit Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,



The Middleburgh Telephone Company

By: James R. Becker
President

Newport Telephone Company, Inc.

By: Harley M. Ruppert
President

NTCNet Long Distance, Inc.

By: Harley M. Ruppert
President

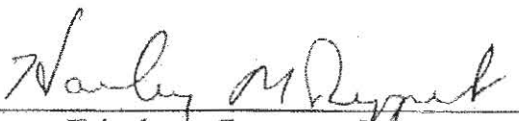
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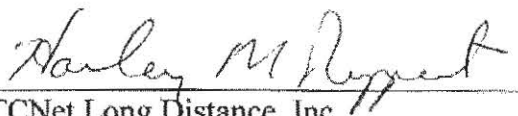
Respectfully submitted,

The Middleburgh Telephone Company

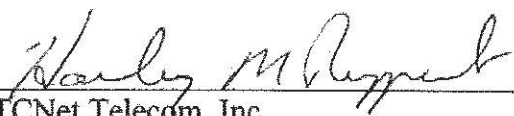
By: James R. Becker
President


Newport Telephone Company, Inc.

By: Harley M. Ruppert
President


NTCNet Long Distance, Inc.

By: Harley M. Ruppert
President



NTCNet Telecom, Inc.

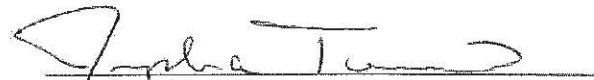
By: Harley M. Ruppert
President

Joseph A. Tomaino

Dated: March 8, 2016

NTCNet Telecom, Inc.

By: Harley M. Ruppert
President



Joseph A. Tomaino

Dated: March 8, 2016

EXHIBIT A

Existing Ownership Structure

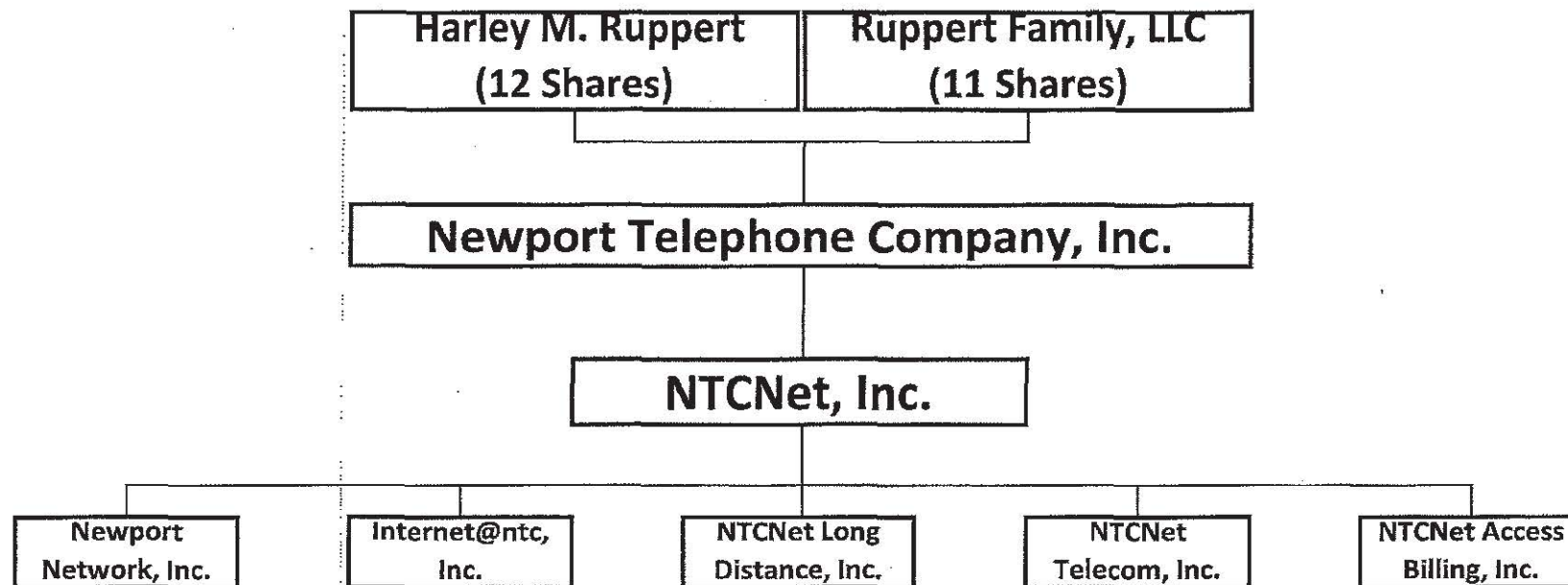
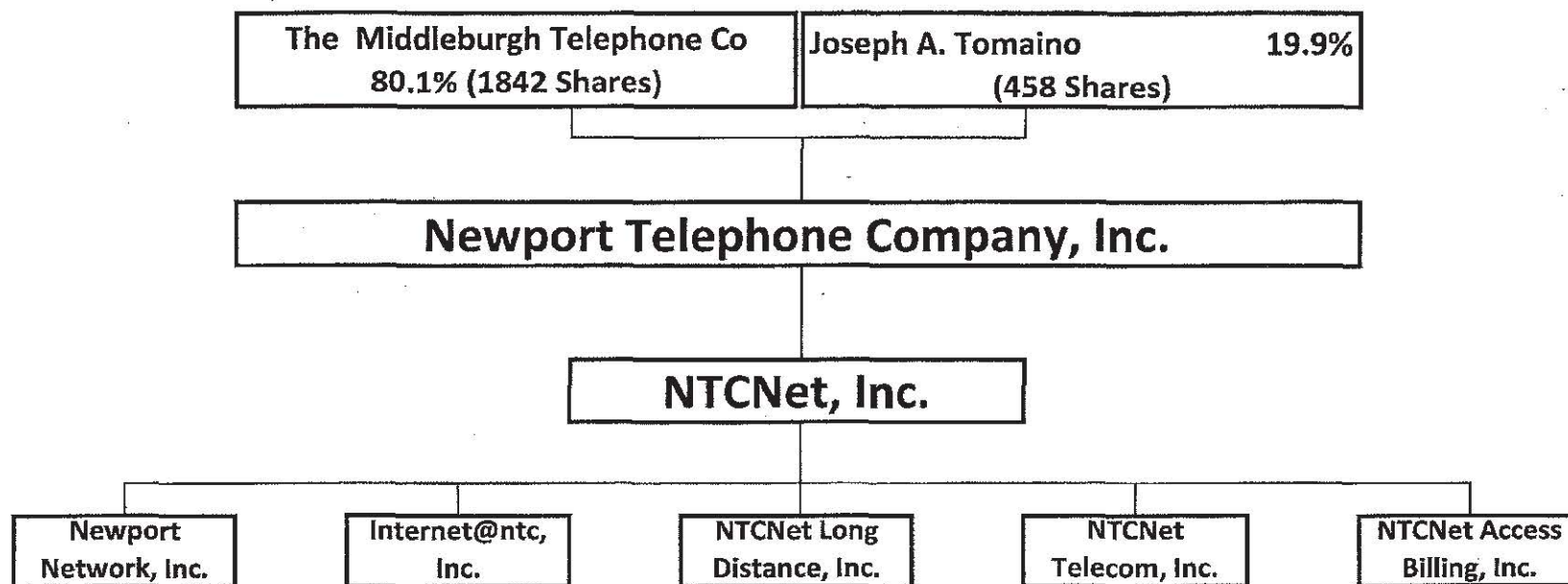


EXHIBIT B

Post Transaction Structure



CERTIFICATION

I, Harley M. Ruppert, President of Newport Telephone Company, Inc., NTCNet Long Distance, Inc., and NTCNet Telecom, Inc., (collectively the "Newport Affiliates"), hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of Newport Telephone Company, Inc., the Assignor in the foregoing Application, and each of the Newport Affiliates. I further certify that the information in the foregoing Application as it pertains to the Assignor and the Newport Affiliates is true and accurate to the best of my knowledge, and that neither the Assignor nor any of the Newport Affiliates is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853(a), as amended.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8 day of March, 2016.



Harley M. Ruppert
President
Newport Telephone Company, Inc.
NTCNet Long Distance, Inc.
NTCNet Telecom, Inc.
Bridge Street
Box 201
Newport, NY 13416

CERTIFICATION

I, James R. Becker, President of The Middleburgh Telephone Company ("Middleburgh"), hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of Middleburgh, the Assignee in the foregoing Application. I further certify that the information in the foregoing Application as it pertains to the Assignee is true and accurate to the best of my knowledge, and that neither the Assignee nor any of its affiliates is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853(a), as amended.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8th day of March, 2016.



James R. Becker
President
The Middleburgh Telephone
Company
103 Cliff Street, Box 191
Middleburgh, NY 12122